

**CITY OF MIAMI BEACH**  
**Office of the City Manager**  
**Letter to Commission No. 072-2005**

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**To:** Mayor David Dermer and  
Members of the City Commission

**Date:** March 17, 2005

**From:** Jorge M. Gonzalez  
City Manager

A handwritten signature of Jorge M. Gonzalez.

**Subject: STATUS REPORT ON THE 41ST STREET BRIDGES PROJECT**

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Pursuant to a recent request for information regarding the status of the 41<sup>st</sup> Street Bridges project, please find the following.

The 41<sup>st</sup> Street Bridges project (Project) includes planned improvements as follows: new sidewalks, new bridge lighting and decorative lighting, architectural handrail improvements, decorative tile installations, paving and markings. The Project has been delayed repeatedly because of differences between the available budgeted funds and the consultant cost estimates, as well as the bid amount provided by the sole contractor who responded to Bid Invitation No. 22-03/04. The initial cost estimate provided by the consultant, Consul Tech, Inc. (Consul Tech), in January 2003, in the amount of \$605,776, was the basis for the initial budget but was proven to be much lower than the market cost of the Project at the time the bid by Ric Man International, Inc. (Ric Man) was received.

Because only one bid was received on the Project, in the amount of \$969,845, the City entered into negotiations with Ric Man in an attempt to reach an agreement that would be close to or within the established funding. This attempt included a thorough evaluation of the bid, a comparison with the consultant's estimate, and some value engineering. After several areas were identified by Ric Man and the City where costs could be revisited, the contractor provided a final revised cost in the amount of \$1,274,500, which was higher than the original bid provided by Ric Man. The justification from Ric Man for this higher amount was that significant time had passed from submittal of the original bid to the submittal of the revised bid, and that costs had escalated during that time. This cost still exceeded the budget significantly.

Subsequently, the City initiated a pricing exercise with a contractor available through the City's Job Order Contracting Program (JOC). The cost estimate submitted by F&L Construction (F&L), in the amount of \$1,180,750, while slightly less than the last proposal submitted by Ric Man, still far exceeded the initial budget amount. Because the City still had concerns about the accuracy of the pricing received both from Ric Man and F&L, Consul Tech was asked to update their previous estimate which was now approximately two years old. The new estimate provided by Consul Tech is in the amount of \$1,045,213, which places it reasonably close to the costs submitted by both the bid contractor and the JOC contractor but above the original budget.

After evaluating the revised estimate provided by the consultant, the Administration has decided to exercise the right of rejection of a single bid, pursuant to City Code Section 2-367, and has issued a letter to Ric Man informing them of the bid rejection and that the City does not intend to pursue this Project with them any further. This letter was issued by the Procurement Division on March 2, 2005.

In order to try to expedite construction, the City has decided to pursue the Project with the JOC contractor and to not issue a new Invitation to Bid (ITB). F&L stated in late February 2005 that they were still interested in the Project and that they would provide a final firm price within six weeks. This new price should be available in April 2005 and the Capital Improvement Projects (CIP) Office will make every effort to try and expedite it further if at all possible.

Because of the time that has transpired since the documents were first completed in December 2000, Consul Tech was asked to review the documents, update them to current codes and resubmit them for permitting to the appropriate agencies. The electrical drawings will be resubmitted to the City's Building Department for approval next week. The documents will also be resubmitted to the Historic Preservation Board (HPB) because the previous approval has expired. The Planning Department has stated they will assist us with the application in order to simplify it and expedite it given that there was a previous Order. The Building Department review is expected to be completed by the end of March 2005. The HPB presentation will be made at the May 2005 meeting.

The City's Public Works Department (PWD) has also asked to review the documents again and is currently doing so. Because work will be performed in the Right of Way, PWD wants to review a Maintenance of Traffic (MOT) plan and has asked for a possible phasing of the project. PWD is scheduled to complete their review by the end of March 2005.

An issue that has caused some previous confusion has been a clause which was placed on some permit documents stating that the Florida Department of Transportation (FDOT) would not allow construction to be performed during the City of Miami Beach's main season. This clause has also caused delays in trying to implement the Project since often the window of opportunity has been missed while negotiating with the contractors regarding the submitted proposals. FDOT has now stated that this clause on the permit actually was requested by City personnel. At this time, the Administration has not been able to verify how this request came about and therefore has asked FDOT whether they would issue an extension to the permit without the seasonal restriction and FDOT has stated they could do so, since the Project has not changed in scope or content. The letter formally asking for the new permit to be issued without the seasonal restriction will be sent to FDOT as soon as PWD and CIP have come to an understanding of the project permit issues.

Additional funding will need to be identified as soon as the final cost from F&L is received, reviewed, and compared to available funding. Because of the time sensitive issues, in order to expedite the Project, and to avoid further delays, CIP intends to prepare a phasing plan where one of the bridges, possibly the Indian Creek Bridge, is constructed first so that disturbance to 41<sup>st</sup> Street is lessened, and to avoid conflict with major events or with important City activities.

As soon as the first bridge is completed, the second bridge construction timeline will be established and Notices to Proceed (NTP) will be issued. F&L has estimated that they could substantially complete the first bridge within four months and the second bridge within two months. Adding the time for final completion and a possible lag time between construction of both phases, it is expected that the total construction period will be approximately one year from the start. If the lag period can be shortened, depending on City needs, the project may be completed in a shorter timeframe. This places completion of the Project at around June 2006. A final schedule will be submitted after the first NTP for review and approval.

Once the final cost submitted by F&L is found to be acceptable, CIP will present an additional appropriation request before the City Commission, which at this time is anticipated to be in May 2005. If approved, the City could proceed with issuing first NTP in June 2005 to begin mobilization and contract finalization, and possibly the second NTP in early July to begin construction of the Project. At that time a decision on whether to phase the Project or whether to proceed with full construction will have been made. During this period, CIP will continue working with the regulatory agencies to finalize the permit requirements.

If you have further questions or require additional information please let me or Jorge E. Chartrand, Acting Director CIP Office, know.

  
JMG/TM/JEC

c: Tim Hemstreet, Acting Assistant City Manager  
Robert C. Middaugh, Assistant City Manager  
Fred Beckmann, Public Works Director  
Jorge E. Chartrand, Acting CIP Office Director

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